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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/144

14 August 1961

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events
28 July - 10 August 1961

The announcement by Brazil in late July of the renewal of diplomatic relations with the USSR opens the door to possible large-scale Soviet involvement in Brazil's development program. The USSR reportedly is prepared to finance and assist in the construction of a large-scale irrigation and hydroelectric power project on the São Francisco River in poverty-stricken and restive northeastern Brazil.

Tunisia signed an agreement with the USSR in August providing for the extension of Soviet credits totaling \$27.5 million for the construction of dams and a technical school.

Sudanese President Abboud visited the USSR in late July and signed an agreement providing for the first Soviet economic aid to his country. The USSR extended a credit of about \$22 million (to be paid back in 12 years) for various development projects.

Both the USSR and the US will build technical schools in Cambodia. An agreement was signed on 24 June by the USSR and Cambodia providing for the establishment of a technical school in Phnom Penh that will give instruction in various engineering and technical subjects. (The project agreement with the US providing for the construction of a similar school also was signed in June.)

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